

Adopted	Rejected
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COMMITTEE REPORT

YES:	21
NO:	1

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 107, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 2, line 31, after "member." insert "**However, this section does**
- 2 **not prohibit a board from providing fund records to an association**
- 3 **described in IC 5-10.3-8-10 or IC 21-6.1-5-17."**
- 4 Page 5, between lines 15 and 16, begin a new paragraph and insert:
- 5 "SECTION 6. IC 5-10.2-4-8, AS AMENDED BY P.L.195-1999,
- 6 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2001]: Sec. 8. (a) As used in this section, "exempt amount"
- 8 means, ~~the annual earnings limit under the federal Social Security~~
- 9 ~~system at the member's Social Security normal retirement age for a~~
- 10 ~~member entitled to receive unreduced Social Security benefits, in the~~
- 11 **case of a member who has not attained the Social Security normal**
- 12 **retirement age for unreduced benefits, twenty-five thousand**
- 13 **dollars (\$25,000),** computed for the calendar year in which a retired
- 14 public employees' retirement fund member is reemployed and

1 computed for the fiscal year in which a retired teachers' retirement fund
2 member is reemployed.

3 **(b) This subsection does not apply to a member who is employed**
4 **by the department of education.** If a member who is receiving
5 retirement benefits **and who has not attained the Social Security**
6 **normal retirement age for unreduced benefits:**

7 (1) becomes reemployed in a position covered by this article; and

8 (2) earns in that position more than the exempt amount;

9 his retirement benefit payments shall stop, and the member shall begin
10 making contributions as required in IC 5-10.2-3-2. However, employer
11 contributions shall be made throughout the period of reemployment.

12 **The earnings limitation under this subsection does not apply to a**
13 **member who has attained the Social Security normal retirement**
14 **age for unreduced benefits.**

15 (c) If a member who is receiving retirement benefits is reemployed
16 in a position covered by this article not more than ninety (90) days after
17 the member's retirement, the member's retirement benefits shall stop,
18 the member shall begin making contributions as required by
19 IC 5-10.2-3-2, and employer contributions shall be made throughout
20 the period of reemployment.

21 **(d) If a retired member is reemployed in a position covered by**
22 **this article, section 10 of this chapter applies to the member upon**
23 **the member's retirement from reemployment.**

24 SECTION 7. IC 5-10.2-4-9 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. ~~(a) If the member~~
26 ~~dies during reemployment, contributions and interest, if any, credited~~
27 ~~to him during reemployment shall be paid to his beneficiary.~~

28 ~~(b) If any a member dies during reemployment and~~ retirement
29 benefits from before his reemployment are payable after his death, the
30 payment of these amounts shall be made without change, **and any**
31 **additional benefit earned during reemployment shall be paid as**
32 **provided in section 10 of this chapter.**

33 SECTION 8. IC 5-10.2-4-10 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) Benefits
35 provided under this section are subject to IC 5-10.2-2-1.5.

36 (b) Upon termination of reemployment, except by death, the
37 retirement benefits from before ~~his~~ **the member's** reemployment which
38 are payable after termination shall be paid without change.

(c) If the member is reemployed for fewer than ~~sixty (60)~~ **ninety (90)** consecutive school or working days, upon termination of reemployment, contributions and interest credited to the ~~member~~ **member's annuity savings account** shall be paid to the member. ~~upon the member's application for withdrawal of the contributions and interest.~~

(d) If the member is reemployed for ~~sixty (60)~~ **ninety (90)** or more consecutive school or working days, upon termination of reemployment, the member shall receive an additional ~~retirement~~ benefit.

(e) The additional retirement benefit consists of the sum of a supplemental pension and a supplemental annuity. ~~However, a member may choose to receive a lump sum payment of the amount credited to the member in the annuity savings account during the member's reemployment. If the member chooses to receive the lump sum payment, the member is not entitled to a supplemental annuity. If the member chooses the lump sum payment and is not entitled to a supplemental annuity, the member is still entitled to receive the actuarial equivalent of the annuity payments that were not paid during the reemployment.~~

~~(1)~~ The supplemental pension is computed as follows:

~~STEP ONE: Compute a pension under section 4 of this chapter using the member's:~~

~~(1) years of service during the member's reemployment; and
(2) average compensation and age at termination of reemployment. during the member's reemployment, if the member is reemployed for less than five (5) years, or average of the annual compensation (as defined in section 3 of this chapter) during the member's reemployment.~~

~~STEP TWO: Compute a pension using the member's years of service, compensation, and age at the date of reemployment.~~

~~STEP THREE: Subtract the pension in STEP TWO from the pension in STEP ONE. The remainder is the supplemental pension.~~

~~(2)~~ If the member is entitled to a supplemental annuity, it consists of the sum of:

~~(A)~~ an annuity provided by contributions and interest credited to the member during reemployment, if any. ~~and~~

1 ~~(B) the actuarial equivalent of the annuity payments that were~~
 2 ~~not paid during the reemployment.~~

3 (f) The additional retirement benefits are guaranteed for five (5)
 4 years or until the member's death, whichever is later. The member may
 5 choose instead of the guaranteed payments **any of the following**
 6 options ~~from under~~ section 7 of this chapter

7 ~~(1) The joint and survivor benefit with no guarantee.~~

8 ~~(2) The cash refund annuity options: for the payment of the~~
 9 **member's additional retirement benefits.**

10 (g) IC 5-10.2-2-7 applies to additional retirement benefits.

11 SECTION 9. IC 5-10.3-3-1 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) The board is
 13 composed of five (5) trustees appointed by the governor:

14 (1) one (1) of whom must be a member of the fund with at least
 15 ten (10) years of creditable service; ~~and~~

16 (2) not more than three (3) of whom may be members of the same
 17 political party; **and**

18 **(3) one (1) of whom must be:**

19 **(A) a member of a collective bargaining unit of state**
 20 **employees represented by a labor organization; or**

21 **(B) an officer of a local, a national, or an international**
 22 **labor union that represents state employees.**

23 (b) The governor shall fill by appointment vacancies on the board in
 24 the manner described in subsection (a) of this section.

25 (c) In making the appointments under subsection (a), the governor
 26 may consider whether at least one (1) trustee is a retired member of the
 27 fund."

28 Page 7, between lines 6 and 7, begin a new paragraph and insert:

29 **"(d) A fire chief appointed under a waiver under section 6(c) of**
 30 **this chapter or police chief appointed under a waiver under section**
 31 **6.5(c) of this chapter who is receiving, or is entitled to receive,**
 32 **benefits from the 1925, 1937, 1953, or 1977 fund may receive those**
 33 **benefits while serving as chief, subject to all normal requirements**
 34 **for receipt of a benefit, including a separation from service."**

35 Page 13, between lines 37 and 38, begin a new paragraph and insert:

36 "SECTION 16. IC 36-8-8-1 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies
 38 to:

(1) full-time police officers hired or rehired after April 30, 1977, in all municipalities, or who converted their benefits under IC 19-1-17.8-7 (repealed September 1, 1981);

(2) full-time fully paid firefighters hired or rehired after April 30, 1977, or who converted their benefits under IC 19-1-36.5-7 (repealed September 1, 1981);

(3) a police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996; and

(4) a park ranger who:

(A) completed at least the number of weeks of training at the Indiana law enforcement academy **or a comparable law enforcement academy in another state** that were required at the time the park ranger attended the Indiana law enforcement academy **or the law enforcement academy in another state;**

(B) graduated from the Indiana law enforcement academy **or a comparable law enforcement academy in another state;** and

(C) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

except as provided by section 7 of this chapter.

SECTION 17. IC 36-8-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) Except as provided in subsections (d), (e), (f), (g), and (h):

(1) a police officer; or

(2) a firefighter;

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

(b) A police officer or firefighter with service before May 1, 1977, who is hired or rehired after April 30, 1977, may receive credit under this chapter for service as a police officer or firefighter prior to entry into the 1977 fund if the employer who rehires him chooses to contribute to the 1977 fund the amount necessary to amortize his prior service liability over a period of not more than forty (40) years, the amount and the period to be determined by the PERF board. If the

1 employer chooses to make the contributions, the police officer or
 2 firefighter is entitled to receive credit for his prior years of service
 3 without making contributions to the 1977 fund for that prior service. In
 4 no event may a police officer or firefighter receive credit for prior years
 5 of service if the police officer or firefighter is receiving a benefit or is
 6 entitled to receive a benefit in the future from any other public pension
 7 plan with respect to the prior years of service.

8 (c) Except as provided in section 18 of this chapter, a police officer
 9 or firefighter is entitled to credit for all years of service after April 30,
 10 1977, with the police or fire department of an employer covered by this
 11 chapter.

12 (d) A police officer or firefighter with twenty (20) years of service
 13 does not become a member of the 1977 fund and is not covered by this
 14 chapter, if he:

15 (1) was hired before May 1, 1977;

16 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both
 17 of which were repealed September 1, 1981); and

18 (3) is rehired after April 30, 1977, by the same employer.

19 (e) A police officer or firefighter does not become a member of the
 20 1977 fund and is not covered by this chapter if he:

21 (1) was hired before May 1, 1977;

22 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both
 23 of which were repealed September 1, 1981);

24 (3) was rehired after April 30, 1977, but before February 1, 1979;
 25 and

26 (4) was made, before February 1, 1979, a member of a 1925,
 27 1937, or 1953 fund.

28 (f) A police officer or firefighter does not become a member of the
 29 1977 fund and is not covered by this chapter if he:

30 (1) was hired by the police or fire department of a unit before May
 31 1, 1977;

32 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both
 33 of which were repealed September 1, 1981);

34 (3) is rehired by the police or fire department of another unit after
 35 December 31, 1981; and

36 (4) is made, by the fiscal body of the other unit after December
 37 31, 1981, a member of a 1925, 1937, or 1953 fund of the other
 38 unit.

1 If the police officer or firefighter is made a member of a 1925, 1937, or
 2 1953 fund, he is entitled to receive credit for all his years of service,
 3 including years before January 1, 1982.

4 (g) As used in this subsection, "emergency medical services" and
 5 "emergency medical technician" have the meanings set forth in
 6 IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

7 (1) is employed by a unit that is participating in the 1977 fund;

8 (2) was employed as an emergency medical technician by a
 9 political subdivision wholly or partially within the department's
 10 jurisdiction;

11 (3) was a member of the public employees' retirement fund during
 12 the employment described in subdivision (2); and

13 (4) ceased employment with the political subdivision and was
 14 hired by the unit's fire department due to the reorganization of
 15 emergency medical services within the department's jurisdiction;

16 shall participate in the 1977 fund. A firefighter who participates in the
 17 1977 fund under this subsection is subject to sections 18 and 21 of this
 18 chapter.

19 (h) A police officer or firefighter does not become a member of the
 20 1977 fund and is not covered by this chapter if the individual was
 21 appointed as:

22 (1) a fire chief under a waiver under IC 36-8-4-6(c); or

23 (2) a police chief under a waiver under IC 36-8-4-6.5(c);

24 unless the executive of the unit requests that the 1977 fund accept the
 25 individual in the 1977 fund and the individual previously was a
 26 member of the 1977 fund.

27 (i) A police matron hired or rehired after April 30, 1977, and before
 28 July 1, 1996, who is a member of a police department in a second or
 29 third class city on March 31, 1996, is a member of the 1977 fund.

30 (j) A park ranger who:

31 (1) completed at least the number of weeks of training at the
 32 Indiana law enforcement academy **or a comparable law**
 33 **enforcement academy in another state** that were required at the
 34 time the park ranger attended the Indiana law enforcement
 35 academy **or the law enforcement academy in another state;**

36 (2) graduated from the Indiana law enforcement academy **or a**
 37 **comparable law enforcement academy in another state;** and

38 (3) is employed by the parks department of a city having a

1 population of more than one hundred twenty thousand (120,000)
2 but less than one hundred fifty thousand (150,000);
3 is a member of the fund.

4 SECTION 18. [EFFECTIVE UPON PASSAGE] (a)
5 Notwithstanding IC 21-6.1-4-6.1, a member is entitled to service
6 credit in the Indiana state teachers' retirement fund in an amount
7 equal to the duration of the member's active military service if the
8 following conditions are met:

9 (1) The member completed military service before beginning
10 approved college teacher training.

11 (2) The member received an honorable discharge from
12 military service.

13 (3) After 1960 and before 1965, the member received a letter
14 or other notice from the executive director of the Indiana
15 state teachers' retirement fund erroneously stating that the
16 member was eligible to receive service credit in the Indiana
17 state teachers' retirement fund for the military service.

18 (4) The member is not otherwise eligible to claim service
19 credit in the Indiana state teachers' retirement fund for the
20 military service.

21 (5) The member files an application with the Indiana state
22 teachers' retirement fund before December 31, 2001, to claim
23 the service credit.

24 (b) Service credit provided under this SECTION applies only to
25 benefits first payable after the member files an application for the
26 service credit and the application is approved by the Indiana state
27 teachers' retirement fund.

28 (c) This SECTION expires July 1, 2002.

29 SECTION 19. [EFFECTIVE JULY 1, 2001] Notwithstanding
30 IC 5-10.3-3-1, as amended by this act, the requirement in
31 IC 5-10.3-3-1(a)(3), as added by this act, applies beginning with the

1 **first appointment or reappointment made to the board of trustees**
2 **of the public employees' retirement fund after June 30, 2001."**

3 Renumber all SECTIONS consecutively.
 (Reference is to SB 107 as printed February 20, 2001.)

and when so amended that said bill do pass.

Representative Bauer